GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Energy, I&I Dept – AP Towers Ltd - Formation of Joint Venture Company with a strategic partner to develop communication tower Infrastructure in Andhra Pradesh and appointing the A.P.Towers Ltd as a Nodal Agency to establish single window system for routing all new/renewal applications for construction of Mobile Towers at Government sites/ Corporation sites/ Local bodies sites in the State – Orders – Issued.

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ENERGY, INFRASTRUCTURE & INVESTMENT (PORTS.II) DEPARTMENT

G.O.MS.No. 17 Dated: 22-06-2018.

Read the following:

1. G.O. Ms. No.22, I&I (OP.I) Dept., Dt: 13-06-2016.
2. Letter No.502/Ports.I/2016, E, I&I (Ports.I) Dept., dated 13-10-2017.
3. From the Managing Director, APTL Letter No.APTL/RFP/01/2016, dated 08-12-2017 & 07-05-2018.

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ORDER:

In the G.O. 1st read above, Government of Andhra Pradesh incorporated A.P.Towers Limited under Companies Act, 2013 with an aim to promote and facilitate telecommunication related infrastructure such as smart towers, mobile towers etc, across the state of Andhra Pradesh to enhance the reach and quality of telecom and related services in Andhra Pradesh.

2. To achieve its vision AP Towers Limited has decided to partner with an experienced private Telecom Tower Company to create a Joint Venture Company. The objective of the JV Company would be aligned with the attainment of the social objectives of AP Towers Ltd while also conducting its operations in an ethical and profitable manner. The Board of Directors after examination has approved the DPR prepared by the agency (M/s Aster & mPraxis).

3. The RFP was released on 21-12-2016 by the MD, APTL. There was no response from the bidders even after the last date of submission of 19-01-2017 despite wide publicity and persuasion.

4. Since the project is a major important project with substantial investment of Rs.2000 crores, the Department has taken a view to dilute the minimum standard bidding conditions. Further, taking into account the limited number of telecom tower infrastructure players who have shown interest in this project caused a dire need to liberalize the eligibility criteria to attract more players to participate in the bid process in the interest of enhance competitions.

5. The bid submission date was further extended for 4 times i.e. on 06-02-2017, 22-02-2017, 10-03-2017 and 30-03-2017, even after extension, only one Bid was received in the form of consortium from M/s.PACE Power Systems Pvt, Ltd. (Lead member) & M/s Lineage Power Private Limited.

6. In the reference 2nd read above, Government have ratified the action of the MD, APTL in having issued RFP for selection of strategic JV Partner to develop the communication infrastructure in the state. He was also accorded permission to open the Financial bid accepting the lone bid of Consortium of M/s.PACE Power Systems Pvt Ltd (Lead Member) & M/s.Lineage Power Pvt Ltd.

7. In the reference 3rd read above, the MD, APTL has stated that as per the above orders, financial bid was opened on 31-10-2017 in that lone bidder has offered 30.33% of non-dilutive equity share to APTL in the proposed Joint Venture Company. The offer of the bidder evaluated in the APTL Board meeting held on 21-11-2017 and as per the direction of the Board, the matter has been referred to the Technical Committee constituted vide G.O.Ms.No.35, E,I&I (Ports.I) Dept dated 28-10-2016. The Technical Committee recommended for concluding the

agreement after obtaining necessary approval from Government. Subsequently, the bidder has also given an undertaking to enhance the minimum assured monthly lease rent of Rs.1250/- per site/location with an increase of 5% per every three (3) years. The Bidder has also agreed to abide by the terms and conditions of the Government orders of PR&RD and MA&UD Department and to pay the charges/renewal fees towards granting permission. Further the bidder has also agreed to pay necessary fees as decided by the respective Departments or APTL wherever there are no Government orders available. Explaining the above, the Managing Director, AP Towers Ltd has requested the Government to accord necessary approval along with administrative sanction for the project and orders of alienation of Government sites for the project to proceed further.

8. Government after careful examination of the matter in consultation with the line Departments hereby approve the proposal of the Managing Director, AP Towers Limited for formation of a Joint Venture Company with the single bid of M/s.Pace Power System Pvt. Ltd. & M/s Lineage Power Pvt. Ltd with AP Towers Limited with Non-dilutive equity share of 30.33% to develop communication tower Infrastructure in Andhra Pradesh, subject to the following conditions;

(i) The Joint Venture Company would pay a rental payment of Rs.1250/- per month per site (Ground based towers/ Roof top towers/ Roof top poles) to APTL with an increase of 5%(five) on completion of every three years.

(ii) The other terms and conditions agreed by earlier in the RFP shall remain unaltered.

9. The A.P. Towers Limited is nominated as a nodal agency to channelize and forward the tower construction and renewal applications to the specified authorities for according permission for constructing Mobile Towers at Government sites/ Corporation sites/ Local bodies sites in the State in order to avoid duplication and to have a single window system.

10. The MD, AP Towers Ltd is requested to nominate one of the existing Directors of the APTL to work with the newly formed Joint Venture Company to deal with all the activities on behalf of Government.

11. Comprehensive guidelines streamlining the procedure and rates to be adopted for granting permission for erection of towers will be issued separately.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRAPRADESH)

AJAY JAIN
PRINCIPAL SECRETARY TO GOVERNMENT

To
The Managing Director, AP Towers Ltd., Vijayawada.
M/s.Pace Power System Pvt. Ltd. & M/s Lineage Power Pvt. Ltd, Bangalore.
Copy to:
GA (Cabinet) Dept.,
P.S to Prl.Secretary to C.M.,
PS to Prl.Secretary, EI&I Dept.,
PS to Prl.Secretary, PR&RD Dept.,
PS to Prl.Secretary, MA&UD Dept.,
PS to Prl.Secretary, ITE&C Dept.,
PS to Special Chief Secretary, Revenue Dept.,
PS to Special Chief Secretary, TR&B Dept.,
PS to Special Chief Secretary, School Education Dept.,
Sf/Sc. (W.r.t.C.No.502/Ports.I/2016)

// FORWARDED :: BY ORDER //

SECTION OFFICER